



**U.S. Department of Justice
U.S. Attorney's Office
Western District of Texas**

Johnny Sutton, U.S. Attorney

FOR IMMEDIATE RELEASE

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AUSTIN MAN CONVICTED OF FEDERAL MAIL, BANK AND WIRE FRAUD

United States Attorney Johnny Sutton announced today that a federal jury in Austin, Texas, has convicted Mohammad H. Gharbi of Austin, Texas, of Conspiracy to Commit Mail Fraud, Wire Fraud and Bank Fraud. Gharbi was one of twenty-five individuals indicted in August and November 2004 for his participation in a fraud and money laundering scheme that defrauded federally insured financial institutions and mortgage lenders of more than \$15 million. Of the twenty-five individuals indicted, nineteen have pleaded guilty, Firooz Deljavan, his wife and brother remain fugitives, one defendant is deceased and one defendant has been dismissed from the case. Firooz Deljavan was the owner and operator of Austin Realtors Network, Inc.

The defendants were charged with instituting a real estate flip-for-profit scheme where various properties in Central Texas were bought at or near market value, then sold thereafter to normally unqualified buyers at an artificially inflated price. In so doing, the defendants collected large sums of cash while fraudulently inducing lenders into funding the real estate loans based upon materially false statements, representations and promises provided by the defendants. The defendants knowingly placed the lenders at risk of financial loss for funding unqualified or untruthful borrowers, thus jeopardizing the lender's financial investment in an overvalued real estate asset.

"These defendants lied and cheated in an attempt to make big money in fraudulent real estate deals," stated United States Attorney Johnny Sutton. "Today's court victory marks the 19th conviction in this conspiracy and confirms our commitment to aggressively prosecute corporate crime."

Charged in the indictment include: Firooz Deljavan; his wife, Rosemary Rios; attorney William Allan Craig, III; Thomas Martin Henry, owner of Guardian Mortgage Services, Inc. (GMS); Mark Douglas Kissner, Vice President of GMS; Stacey L. Leifheit, a GMS loan processing agent; real estate broker Mohammad H. Gharbi; his daughter, Maryam Gharbi, a real estate agent; John Ogilbee, a real estate appraiser trainee; Kato Sherman, Jr., President of KSJ & Co. and a real estate appraiser; Firooz' brother, Behrouz Deljavan; Donald C. King, a GMS client; Michael R. Persinger, a GMS client; Scott B. Ringgenberg, Firooz' brother-in-law; Helen Rios Ringgenberg, Rosemary Rios' sister; Matthew C. Nagy, a GMS client; Ramin Masoumi, a GMS client; Kenneth W. Hudson, a GMS client; Majid Rashidi, a GMS client; and, Mehdi Haghsheenas, a GMS client.

Gharbi and his co-defendants face up to 30 years in federal prison. This case is the result of an investigation by the Federal Bureau of Investigation, Internal Revenue Service - Criminal Investigations, U.S. Postal Inspectors and the Department of Treasury Inspector General for Tax Administration. Assistant United States Attorney's Gerald C. Carruth and Mark Lane are prosecuting the case for the government.

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